OFFICE MEMORANDUM

March 23, 2004

To: Application File # 8481

From: Greg Stone

Subject: Gaylord Container Corp. taking over AN 8481 from Harbinger

In their letter dated March 18, 2004, Gaylord Container Corporation (Gaylord) has requested that application number 8481 (ERC banking application for closure of sources at the Antioch Mill) be transferred from Harbinger Independent Power Fund II (Harbinger) to Gaylord. Harbinger originally submitted this application while in negotiations with Gaylord to purchase the electric cogeneration facilities at Gaylord's former paper mill in Antioch, CA (BAAQMD Plant number 15393). These negotiations have ended without reaching an agreement for a sale. Therefore, the Antioch Mill will remain under the ownership of Gaylord.

On March 19, 2004, the District published a Notice Inviting Written Public Comment regarding the Air Pollution Control Officer's preliminary decision to issue emission reduction credits (ERCs) to Harbinger under application number 8481. Following a 30-day public comment period, the District will consider all comments and, barring any comments that cause the District to reconsider our original decision, approve the ERCs. The ERCs will be issued to Gaylord Container Corporation, rather than Harbinger Independent Power Fund II.

GAS:gs